

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 793 – Motor Vehicle Operation & Regulation (LSB 1106 HZ.1)

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Fiscal Note Version – As Amended and Passed by the House

Description

House File 793, as Amended and Passed by the House, makes numerous technical changes relating to the Department of Transportation (DOT), including but not limited to the following changes for antique vehicles and implements of husbandry.

Antique Vehicles

- Changes the current annual vehicle registration fee of \$5 for antique motor vehicles (motor vehicles 25 years old or older), to the same fee charged for older vehicles, and removes the requirement that antique vehicles be driven only for exhibition or education purposes.
- A person convicted of violating the provisions pertaining to antique vehicles is guilty of a simple misdemeanor punishable by a fine of \$30.
- The provisions relating to antique vehicles are to take effect July 1, 2008.

Assumptions

- There are an estimated 464,500 motor vehicles that qualify to be registered as an antique; however, an estimated 7,300 are actually registered. This analysis assumes that the current number of vehicles that qualify but are not registered as an antique, and the current number that are actually registered as an antique, will be registered in the same manner. The remaining 457,200 vehicles will be unaffected by the proposed legislation.

Fiscal Impact

The estimated fiscal impact of HF 793 in regard to antique vehicles is an increase of \$170,000 (96.0%) to the Road Use Tax Fund and an estimated increase of \$7,000 (4.0%) to the general fund of counties. The amount of revenue generated from the \$30 scheduled fine cannot be determined, as the number of violations that will occur is unknown. The revenue generated from fines is anticipated to be minimal.

Implements of Husbandry

- Requires the owners of certain self-propelled implements of husbandry to apply for a permit from the DOT for an annual fee of \$600 for each county in which the vehicle will be operated, provided that the permit will not be issued for a vehicle that operates in more than ten counties, and the fees do not exceed \$3,500 annually. The fees collected are to be equally distributed to those counties and deposited into the Secondary Road Fund.
- Only vehicles purchased or ordered before February 1, 2007, are eligible for a permit, which must be obtained prior to July 1, 2007. An existing permit, however, may be renewed annually upon payment of the appropriate permit fees.
- The owner of a vehicle that is operated without a permit is subject to a civil penalty of \$10,000, in addition to other penalties that may apply.
- The provisions relating to implements of husbandry are to take effect upon enactment.

Assumptions

- The estimated number of implements of husbandry that are eligible to obtain a permit is 125. The number of counties for which such vehicles will be operated and for which a \$600 fee is required is unknown. Also unknown is the number that may be subject to a civil penalty.
- Owners of the implements of husbandry who do not obtain a permit prior to July 1, 2007, will be using the vehicle in violation of the Code, and will therefore be subject to a civil penalty of \$10,000, in addition to other penalties that may apply.

Fiscal Impact

Since the number of counties for which the vehicle will be operated in is unknown, the total fiscal impact cannot be estimated. However, assuming the current 125 vehicles qualify for an annual permit to operate in one county, the estimated minimum fiscal impact is \$75,000 annually. This revenue would be deposited into the Secondary Road Fund of the counties.

The amount of revenue generated from the \$10,000 civil penalty cannot be determined, as the number of violations that will occur is unknown.

Technical and Other Changes

- Specifies that the owner of a motor vehicle who has been awarded the Legion of Merit is entitled to only one set of Legion of Merit special license plates.
- Repeals the 2006 Iowa Acts, Chapter 1070, Section 5, which would have changed from 45 days to 60 days, the period of time a vehicle could be driven without registration plates if a card displaying a "registration applied for" is attached to the vehicle. This takes effect upon enactment.
- Provides that tax revenues collected by a county treasurer from a regional transit district levy be held by the county treasurer.

Summary of Fiscal Impact

The estimated fiscal impact of HF 793, as Amended and Passed by the House, for FY 2008 is a net increase to the Road Use Tax Fund of \$94,000, and an increase of \$7,000 to the general fund of counties. The fiscal impact associated with owners of certain implements of husbandry obtaining permits cannot be estimated since the number of counties in which the vehicle will be operated is unknown. However, assuming the current 125 vehicles qualify for an annual permit to operate in one county, the estimated minimum fiscal impact is \$75,000 annually. This revenue would be deposited into the Secondary Road Fund of the counties. The amount of revenue generated from the \$10,000 civil penalty cannot be determined, as the number of violations that will occur is unknown.

Sources

Department of Transportation
Department of Human Rights (Criminal and Juvenile Justice Planning)

/s/ Holly M. Lyons

March 22, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
